

Employment and Training Administration, Labor

§ 641.205

grantees and subgrantees operating in a State shall provide information necessary to compile the report. [Section 506(d) of the OAA.]

§ 641.202 Eligibility for title V funds.

Agencies and organizations eligible to receive title V funds shall be those specified in sections 502(b) and 506(a) of the OAA.

§ 641.203 Soliciting applications for title V funds.

The Department may solicit or request organizations to submit applications for funds.

§ 641.204 Grant application requirements.

(a) *Schedules.* The Department shall establish, by administrative directive, schedules for submittal of grant preapplications and applications; the contents of grant applications, including goals and objectives; amounts of grants; and grant budget and narrative formats.

(b) *Intergovernmental reviews.* Grant applicants shall comply with the requirements of the Department's regulation, at 29 CFR part 17, which implements the intergovernmental review of Department programs and activities. A *Preapplication for Federal Assistance* form (SF-424) filed as a result of the intergovernment review system shall contain an attachment which, at a minimum, lists the proposed number of authorized community service positions in each county, or other appropriate jurisdiction within the affected State. Whenever a national organization or other program grantee or subgrantee proposes to conduct projects within a planning and service area in a State, such organization or program grantee is responsible for sharing their applications with area agencies on aging and other SCSEP sponsors in the area prior to the award of the funds in accord with guidelines issued by the Department.

(c) *Subgrants.* A grant applicant planning to award funds by subgrant shall:

- (1) Outline the nature and extent of the planned use of such funds; and
- (2) Assure that in the event that a subgrant agreement is canceled in

whole or in part, the grantee will provide continuity of services to enrollees.

§ 641.205 Responsibility review.

(a) In order to enter into and continue a grant relationship with DOL, an organization (applicant) shall be responsible. To determine responsibility, DOL conducts a preaward review of all grant applicants. As part of this review, DOL applies 13 basic responsibility tests to each applicant, included in paragraphs (b) and (c) of this section.

(b) If a grant applicant fails either of the following two responsibility tests, it shall not be designated as a grantee:

(1) The Department's efforts to recover debts from the applicant (for which three demand letters have been sent) established by final Department action have been unsuccessful, or the applicant has failed to comply with an approved repayment plan.

(2) Fraud or criminal activity has been determined to exist within the organization.

(c) Eleven additional basic responsibility tests are applied to each grant applicant. Failure to meet any one of these tests does not establish that the applicant is not responsible, unless the failure is substantial or persistent. These tests are as follows:

(1) Serious administrative deficiencies have been identified, such as failure to maintain a financial management system as required by Federal regulations.

(2) Willful obstruction of the monitoring process.

(3) Failure to meet performance requirements.

(4) Failure to correct deficiencies brought to the grantee's attention in writing as a result of monitoring activities, reviews, assessments, etc.

(5) Failure to submit correct grant closeout documents within 90 days after expiration of the grant, unless an extension has been requested and granted.

(6) Failure to return outstanding cash advances within 90 days of the expiration date of the grant, unless an extension has been requested and granted, or the funds have been authorized to be retained for use on other grants.